

EDINBURGH MATHEMATICAL SOCIETY
REPORT AND FINANCIAL STATEMENTS
For the Year Ended 31 July 2006

EDINBURGH MATHEMATICAL SOCIETY

REFERENCE AND ADMINISTRATIVE INFORMATION

TRUSTEES

Dr TN Bailey (Librarian)	(Appointed 14 October 2005)
Dr FK Bell	(Appointed 1 July 2006)
Dr MA Bees	
Dr CM Campbell (President)	
Dr AD Gilbert (General Secretary)	
Professor TNT Goodman	
Professor IJ Gyongy	(Resigned 14 October 2005)
Dr Jillian	(Resigned 26 March 2006)
Professor TH Lenagan (Meetings Secretary)	
Dr AL IBM an	(Appointed 14 October 2005)
Dr DR McLean	(Resigned 30 June 2006)
Dr AJ Mulholland	
Dr JO'Connor	(Resigned 14 October 2005)
Dr K Painter	
Dr R Paris	(Appointed 27 March 2006)
Dr DR Roberts	(Resigned 14 October 2005)
Dr CM Roney -Dougal	(Appointed 14 October 2005)
Professor P Rowlinson (Vice -President)	
Dr B P Rynne	(Resigned 14 October 2005)
Dr CJ Smyth (Convener of the Editorial Board)	(Appointed 14 October 2005)
Professor M Weiss	(Resigned 14 October 2005)
Dr MA Youngson (Treasurer)	

PRINCIPAL ADDRESS

The Honorary Secretary
Edinburgh Mathematical Society
University of Edinburgh
School of Mathematics
James Clerk Maxwell Building
The King's Buildings
Mayfield Road
Edinburgh EH9 3JZ

INDEPENDENT EXAMINERS

Chiene + Tait
Chartered Accountants
61 Dublin Street
Edinburgh
EH3 6NL

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Standard Life Bank
30 Lothian Road
Edinburgh
EH1 2DH

CHARITY REGISTRATION NUMBER

SC000241

Website

<http://www.maths.ed.ac.uk/~ems>

The trustees present their report and financial statement for the year ended 31 July 2006.

Structure, Governance and Management

The Society is governed in accordance with its Constitution and Rules (copies of which are available on request). The Constitution places the responsibility for the management of the Society in the hands of its General Committee, comprising President, Vice-President, one or two Secretaries, Treasurer, Librarian, Convener of the Editorial Board and at least six but not more than ten additional members, all of whom are elected annually. The Society also has an Investment Committee (responsible for monitoring the Society's finances and selecting investments), an Editorial Board, a Policy Advisory Group, a Research Support Fund Committee, an Education Committee and, when required, a Whittaker Prize Committee.

For the purposes of charity legislation, the trustees of the Society are precisely the members of the General Committee. The members for 2005/06 are listed on the previous page. The members of the General Committee are elected annually at the Annual General Meeting of the Society which is held in October. A list of the current members of all committees is available on request.

Objectives, Activities and Management

The Edinburgh Mathematical Society was founded in 1883 for "the mutual improvement of its members in the Mathematical Sciences, pure and applied", an objective that was later recast in broader and more outward looking terms as "the promotion and extension of the Mathematical Sciences, pure and applied, particularly in Scotland". The Society is an unincorporated association firmly established as the principal mathematical society for the university community in Scotland. Its membership is drawn from all the Scottish universities and other educational institutions as well as from mathematicians in industry and commerce both at home and overseas.

Activities

In 2005-06 the Society held eight regular meetings, each addressed by a prominent mathematician. In addition, the Society hosted a lecture in Edinburgh by the London Mathematical Society Hardy Fellow for 2006. Details of the speakers and the titles of their talks are given in the table below.

Date	Place	Speaker	Title
14.10.05	Edinburgh	Prof. P Rowlinson, Stirling	Star complements in infinite graphs [Presidential Address]
11.11.05	Glasgow	Prof. M Liebeck, Imperial College	Probabilistic group theory and Fuchsian groups.
09.12.05	Heriot-Watt	Prof. B Leimkuhler, Leicester	Molecular dynamics in and out of equilibrium.
20.01.06	Edinburgh	Prof. H M Byrne, Sheffield	Multiscale modelling of solid tumour growth.
17.02.06	Edinburgh	Prof. L Goldberg, Warwick	Markov chains and sampling graph colouring.
17.03.06	Dundee	Prof. N J Higham, Manchester	Four theorems in matrix analysis, with applications.
28.04.06	Aberdeen	Prof. A G Robertson, Newcastle-upon-Tyne	Trees, buildings and boundaries.
26.05.06	St. Andrews	Prof. M Geck, Aberdeen	Canonical bases in representation theory.
19.06.06	Edinburgh	Prof. Y Manin, Northwestern University [LMS Hardy Fellow]	Iterated integrals of modular forms and non-commutative modular symbols.

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (cont'd)

For the Year Ended 31 July 2006

A meeting for postgraduate students was held at the Burn, near Edzell, from 16 to 18 May: this was oversubscribed (again) and another similar meeting will be held next year. The evident success of this event bodes well for the continued health of Scottish mathematics.

The *Proceedings of the Edinburgh Mathematical Society* has been published by the Society since 1884. Three issues are published each year containing research papers covering a wide range of topics in pure and applied mathematics. The *Proceedings* has an international board of consulting editors and has a world-wide circulation; two new subject editors have recently been appointed. The Society is negotiating a revised contract with Cambridge University Press for the publication and distribution of hard-copy and electronic versions.

The Society is conscious that its declared objective – “the promotion and extension of the Mathematical Sciences” – is sometimes best achieved through the support of activities planned and instigated by others. It therefore has schemes for awarding grants for mathematical activities, and it also joins with other societies in supporting various joint initiatives at national and international level through subscriptions, donations and representation on committees. Details are set out below:

Applicant	Purpose	£
Joint Mathematical Council	Affiliation fee and donation	60.00
Scottish Mathematical Council	Affiliation fee	50.00
Society of Friends of Oberwolfach	Donation	192.54
European Mathematical Society	Affiliation fee	266.16

Newsletter

The *President's Newsletter* is sent annually to all members. It is designed to keep members informed about the Society's activities and describes recent events in a more detailed and informal way than is possible in this Annual Report. Copies are available on request.

Membership

Membership of the Society is open to all who are interested. Applications for membership are considered by the General Committee and can be refused only for good and proper reasons. The Society has reciprocity agreements with a number of overseas mathematical societies under which membership of one society gives the right to join the others at a reduced subscription. Postgraduate students at Scottish universities are offered free membership of the Society for up to three years to encourage them to take part in Society activities.

Library

Most of the collections belonging to the Society are held in the James Clerk Maxwell Building Library at the University of Edinburgh and are recorded as such in the Edinburgh University Library catalogue. Some older books and journals are housed at the Collaborative Academic Store for Scotland (CASS), which is located in the Causewayside Building of the National Library of Scotland. The Society's principal collection consists mainly of periodicals obtained by exchange with other learned societies throughout the world; at present about 150 periodical titles are received. Members may consult or borrow books from the Society's Library, and are also entitled to use Edinburgh University Library; in return, members of Edinburgh University Library may use the Society's Library.

Grants

The Society has two schemes for awarding grants: the **Research Support Fund** and the **Education Fund**.

The Research Support Fund (launched as the Centenary Fund in 1983, the Society's centenary year, and renamed in 2002 to make a clear statement of its purpose) gives financial support to a variety of mathematical activities, including research visits, conferences and publications. Any person may apply for a grant or guarantee from this fund. Applications are considered by the Research Support Fund Committee. The committee works out a set of rules, copies of which are made available to potential applicants. Awards are normally paid to an applicant's institution rather than the applicant personally.

The Education Fund supports educational activities of a mathematical nature at both school and university level. At school level it is advertised as the *Schools Enrichment Fund*. Applications may be made to the Education Committee, but additionally the Education Committee actively seeks out projects worthy of support and may organise activities itself such as the recent series of postgraduate meetings arranged jointly with the International Centre for Mathematical Sciences in Edinburgh. These have been very well received, and now that they have proved their worth, they will in future be funded by participating University departments.

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (cont'd)

For the Year Ended 31 July 2006

In addition to the Research Support Fund and Education Fund schemes, General Committee from time to time makes special grants. Sometimes these are major grants for the support of large international conferences but equally they may be small grants for worthy mathematical purposes that do not fall within the remits of the two schemes.

The budgets for Research Support Fund and Education Fund for this year and next year are given below: -

	2005/06	2006/07
	£	£
Research Support Fund	13,000	13,500
Education Fund	5,200	4,500

Details of the grants awarded in 2005/06 are set out below.

Research Support Fund grants paid in 2005/06: -

Applicant	Purpose	£
X Mao (Strathclyde)	Visit of G S Ladde	500.00
S McKee (Strathclyde)	Visit of J A Cuminato	612.00
M Singer (Edinburgh)	Visit of F Pacard	425.00
A J Duncan (Newcastle)	Series of Group Theory meetings	650.00
D A Johnson (Heriot -Watt)	Visit of Z Kadar	280.00
G Hall (Aberdeen)	Visit of V Varela	500.00
S Foss (Heriot -Watt)	Visit of A Sakhanenko	300.00
H Braden (Edinburgh)	Visit of A Marshakov	600.00
K A Brown (Glasgow)	Conference on Ring Theory	700.00
A Reid (Texas)	ICMS Workshop on 3-manifolds	750.00
D Kahrobaei (St Andrews)	Visit of B Khan	490.00
O Davydov (Strathclyde)	Visit of L Shumaker	200.00
A Kyprianou (Heriot -Watt)	Meetings on Stochastics	455.00
S Sabanis (Edinburgh)	Workshop on Dynamical Systems	550.00
A A Ranicki (Edinburgh)	Conference on Surgery Theory	750.00
D Higham (Strathclyde)	Visit of M Mascagni	300.00
M V Lawson (Heriot -Watt)	Visit of S Margolis	41.20

In addition the following were awarded but unfortunately could not be taken up owing to difficulties with the planned visits:

G Roach (Strathclyde)	Visit of I Stratis	454.00
E F Robertson (St Andrews)	Visit of H G Hebrewold	600.00

Education Fund grants paid in 2005/06: -

Applicant	Purpose	£
C G Bell, Scottish Mathematical Council	Mathematical Challenge Schools Competition: annual grant each year until further notice	800.00
W P Richardson, Scottish Qualifications Authority	Advanced Higher Mathematics prizes: annual grant each year until further notice	300.00
V E Illins, Setpoint Scotland North	Royal Institution Mathematics Masterclass Series for Young People, Aberdeen Series	270.00
J G Reid, East Dunbartonshire Council	Advanced Higher Mathematics Conference	300.00
A Jackson and M Kennedy, Holy Cross HS, Hamilton	S2 Enterprise Maths Activity Day	300.00
M Armstrong, Nairn Academy	Sudoku Club and Competition	50.00
G Harkins, St Saviour's RC High School Dundee	PriSec Maths Competition	225.00
M Cameron, Leith Academy	Poster competition, Primary enterprise morning for P7s ; Gifted and talented morning for P7s	122.00
A G Dunbar, Biggar High School	Enterprising Maths Day	221.54
G Milloy, Bearsden Academy	P7 clusters schools maths problems solving competition	92.00
A Sinclair, Aberdeen City Council	Enterprising Maths Challenge	334.30
N Armstrong, Lesmahagow High School	Primary Maths Challenge	60.00
B C Harden, Turriff Academy	Fun Maths Activity Package	300.00
M King, Eyemouth High School	Interactive Maths Competition	285.00

In addition the Education Fund provided £499.76 to support four postgraduate meetings at ICMS.

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (cont'd)

For the Year Ended 31 July 2006

Special grants paid in 2005/06: -
BMC2006

£750.00

Voluntary and Paid Work

The Society's officers and committee members undertake all their work for the Society on a voluntary basis. They therefore receive no payment beyond the reimbursement of some of their expenses. Many members of the Society, and indeed non-members too, also assist the Society in a range of activities including refereeing papers submitted to the *Proceedings* and representing the Society on other bodies. They too receive no payment other than reimbursement of some expenses. The Society is deeply grateful for all this assistance freely given and is very conscious that without it the Society's work would come to a halt.

The Society is also very grateful to the Scottish universities, particularly the University of Edinburgh, for permitting staff and resources to be used to assist the Society. The Society continues to employ the services of a part-time Secretary in the School of Mathematics.

The Society has a contract with the International Centre for Mathematical Sciences in Edinburgh for the management of pre-production editorial work on the *Proceedings*.

Financial Review

The headlines this year are that in round figures income was £59,000, expenditure £50,000, the surplus before gains in investments was £9,000 and at the end of the year the Society's net assets were £280,000.

This follows the trend of the past two years. Last year was the first year in which there was significant expenditure on professional fees arising from the need for the Society to keep on top of its responsibilities to comply with the law on charities and VAT. This expenditure is expected to continue annually.

After providing for appropriate assistance in the running of the Society, it has been the policy of the Society to actively deploy the surpluses for the support of the mathematical community. The number of grant applications received this year was encouragingly high and this has resulted in an increase in the total amount paid compared to the previous year. The budget for the Research Support Fund has been increased for 2006/07 in anticipation of further high quality grant applications being received.

The Society's investments increased in value in the course of the year. Although our portfolio did not retain the highs achieved during the year it did weather the stock market storm during the second half of our financial year. Considering the Society also had Government Stock maturing near the end of the financial year that was not reinvested the growth in our investments can be considered satisfactory. In line with a policy of an expected controlled deficit the Investment Committee deliberately made no new investments but consideration is currently being given to the purchase of Government Stock as a replacement for the Stock that matured in during the current year. A couple of 12 to 18 month bonds totalling £180,000 available from Standard Life Bank that matured during the year were reinvested.

The Trustees approved the following distribution of assets among the Society's Designated Funds: Whittaker Prize Fund, £8,000; St Andrews Fund, £10,000; the remaining assets divided equally between the Grants & Awards Fund and the Strategic Reserves Fund. They also endorsed a recommendation from the Investment Committee that the St Andrews Fund be used to support the postgraduates' meetings at the Burn. Accordingly the Society made an additional grant as follows:

The Burn Conference 2006

£1,473.50

Plans for Future Periods

The speakers and dates for the Society's eight meetings in 2006/07 have already been confirmed.

Risk Management

The Society undertook a review of risks last year, and this has informed the negotiations with Cambridge University Press on production and distribution of the Society's *Proceedings*. The trustees have continued to assess the risks to which the Society is exposed, in particular those relating to the operational and financial activities of the Society. They are satisfied that adequate systems and controls are in place to mitigate any exposure to risk. In this context, the Policy Advisory Group recommended that the St Andrews Colloquium be discontinued.

For the Year Ended 31 July 2006

Statement of trustees' responsibilities

The Society's Constitution and Rules require the trustees to prepare annual financial statements which give a true and fair view of the state of the Society at the end of the financial year, and of its surplus or deficit for the year. In preparing these financial statements the trustees are required to :-

- o selects suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent;
- o state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- o prepare the financial statements as for a going concern unless it is inappropriate to presume that the Society will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention of fraud and other irregularities.

On behalf of the Trustees

Dr AD Gilbert
General Secretary

2006



INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES ON THE UNAUDITED FINANCIAL STATEMENTS OF EDINBURGH MATHEMATICAL SOCIETY

We report on the financial statements for the year ended 31 July 2006 set out on pages 8 to 14.

This report is made to the Trustees, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the financial statements on behalf of the Trustees and report our opinion as set out below and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees, as a body, for our work or for this report.

Respective responsibilities of trustees and independent examiners

As described on page 6 the trustees are responsible for the preparation of the financial statements and they consider that the Charity is exempt from an audit.

In accordance with their instructions and in order to assist them to fulfil their responsibilities, we have prepared the financial statements on pages 8 to 14 from the accounting records and from the information and explanations supplied to us.

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of financial statements.

In addition to the above it is our responsibility to examine the financial statements, and based on our examination, report our opinion as set out below.

Basis of opinion

We have carried out such investigations as were necessary to enable us to form an opinion as to whether proper accounting records adequate for the purposes of the Charity have been kept and the financial statements of the Charity were in accordance with the accounting records.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the financial statements.

Opinion

In our opinion, according to the best of our knowledge and belief and in accordance with the information and explanations given to us: -

- (a) the financial statements have been properly prepared and are in agreement with the accounting records kept by the Charity under section 4 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990.
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i. the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 5 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and the Charity's Constitution and Rules.
 - ii. The Charity satisfied the conditions for exemption from an audit of the financial statements as specified in section 8 of the Charities Accounts (Scotland) Regulations 1992.

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2006

EDINBURGH MATHEMATICAL SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES

For the Year Ended 31 July 2006

	General Unrestricted Fund £	Designated Funds £	2006 Total £	2005 Total £
Incoming resources				
Incoming resources from generated funds:				
Voluntary income	629.00	-	629.00	1,122.00
Investment income	1,396.70	6,485.72	7,882.42	6,665.46
Incoming resources from charitable activities:				
Publisher: proceedings income	45,295.59	-	45,295.59	38,207.46
Members' subscriptions	5,162.00	-	5,162.00	4,537.00
Total incoming resources	52,483.29	6,485.72	58,969.01	50,531.92
Resources expended				
Charitable activities:				
Proceedings	27,720.52	-	27,720.52	28,016.55
Meetings and lectures	1,813.21	-	1,813.21	2,328.03
Seminars and conferences	-	1,473.50	1,473.50	2,361.70
Grants, awards and prizes	-	13,512.80	13,512.80	12,443.90
Subscriptions and donations	942.92	-	942.92	955.68
Management and administration	2,188.22	-	2,188.22	648.77
	32,664.87	14,986.30	47,651.17	46,754.63
Governance costs	2,800.00	-	2,800.00	2,785.00
Total resources expended	35,464.87	14,986.30	50,451.17	49,539.63
Net incoming/(outgoing) resources before transfers	17,018.42	(8,500.58)	8,517.84	992.29
Transfers between funds	7,541.18	(7,541.18)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses	24,559.60	(16,041.76)	8,517.84	992.29
Realised gain/(loss) on investments	-	317.23	317.23	(55.08)
Unrealised gain on revaluation of investments	-	22,564.49	22,564.49	25,434.55
Net movement in funds	24,559.60	6,839.96	31,399.56	26,371.76
Total funds brought forward	41,243.27	207,664.81	248,908.08	222,536.32
Total funds carried forward	65,802.87	214,504.77	280,307.64	248,908.08

The comparatives for 2005 are for the eleven month period ended 31 July 2005.

The notes on pages 10 to 14 form part of these financial statements.

EDINBURGH MATHEMATICAL SOCIETY

BALANCE SHEET

As at 31 July 2006

	Notes	2006	2005
		£	£
Fixed assets			
Investments	8	214,504.77	207,664.81
Current assets			
Debtors	9	1,480.48	1,279.29
Cash at bank and in hand	10	67,622.39	48,386.87
		<u>69,102.87</u>	<u>49,666.16</u>
Creditors: amounts falling due within one year	11	<u>3,300.00</u>	<u>8,422.89</u>
Net current assets		<u>65,802.87</u>	<u>41,243.27</u>
Net assets		<u>280,307.64</u>	<u>248,908.08</u>
The funds of the charity: -			
Unrestricted funds			
General fund	12	65,802.87	41,243.27
Designated funds	12	214,504.77	207,664.81
		<u>280,307.64</u>	<u>248,908.08</u>

The financial statements were approved by the Trustees on _____ and resigned on their behalf by: -

Dr CM Campbell
President

Dr MA Youngson
Treasurer

The notes on pages 10 to 14 form part of these financial statements.

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) and the Society's Constitution and Rules.

Incoming resources

Income is recognised in the period in which the Society is entitled to receipt and can be measured with reasonable certainty.

Investment income is recognised in the period in which it is receivable.

Members' subscriptions are recognised on a cash received basis.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Expenditure on the governance of the Society, including independent examination and professional advice, is analysed to the governance costs category.

Management and administration costs have been separately disclosed in the Statement of Financial Activities. In the opinion of the Trustees, there is no reliable method to allocate such support costs within charitable activities.

Assets and liabilities

Income and expenditure that is due to be received or incurred in one financial year but is not actually received or incurred before the end of that year is treated as an asset or liability in the Balance Sheet only if the payment is a legal or contractual requirement and not if the payment will be made on a voluntary basis. So, for example, payments for secretarial services could come into this category but membership subscriptions and grants would not.

Contributions and refunds received

The Society sometimes receives contributions from various sources towards meetings and other events that it organises. Sometimes also the recipient of a grant has to refund part or all of the grant, because conditions attached to the grant have not been met or the financial position has changed. In all such cases the contributions and refunds are recognised as income.

Investments

Investments are valued at their market value (selling price in the case of unit trusts).

VAT

The Society is VAT registered so expenditure is stated net of the recoverable amount of VAT.

Foreign currency transactions

For expenditure incurred in a foreign currency the amount shown in the Income and Expenditure Account is the total amount paid in Sterling including any bank charges. Similarly, for income received in a foreign currency the amount shown is the amount received in Sterling after deduction of any bank charges.

2. Proceedings

The Income and Expenditure Account does not show the complete financial position of the *Proceedings* because it contains income and expenditure relating to different volumes and does not include income and expenditure transactions by the Society's Publisher. Therefore, an analysis of the *Proceedings* by volume is set out in the Supplementary Information on page 16. That analysis is obtained by combining information in the Society's financial records with the Publisher's annual statements of account. There is, however, one point that is not covered by that analysis. The cost of complimentary copies of the *Proceedings* for copyright libraries, other organisations with whom the Society has exchange agreements, marketing purposes, internal use of the Society and its Publisher, and a small number of life members of the Society entitled to receive them under a now withdrawn Society rule is included in the expenditure, but no attempt has been made to quantify the value to the Society and the mathematical community of the journals in the Society's library that the Society receives from other organisations as a result of the exchange agreements.

3. Employees

The Society has no employees but incurs the cost of secretarial services.

4. Remuneration and reimbursement of expenses to trustees

No remuneration was paid to trustees. Trustees received reimbursement of expenses for the following two reasons: firstly travel expenses and accommodation of trustees attending meetings of, or on behalf of, the Society and secondly expenses incurred by the President of the Society entertaining speakers or guests of the Society. The total reimbursement of expenses paid to trustees was £1,309.04 (2005: £1,298.87).

5. Grants

Details of the grants awarded for the period are given in the trustees' report. It is the policy of the Society to award grants to institutions and only in exceptional circumstances to individuals. The largest grant awarded was £800. The Society through its educational enrichment fund is one of several institutions that are a sponsor of prizes for Advanced Higher Mathematics school pupils. This year the Society was associated with five prizes of a total value of £300 ranging from £40 to £90. In addition this year the Society awarded the Whittaker prize of £500. These were the only awards made to individuals in the current period.

6. Net incoming resources

This is stated after charging: -		2006	2005
		£	£
Independent examiners' remuneration	-examination of financial statements	1,000.00	1,300.00
	-others services	1,800.00	1,805.00
		<u> </u>	<u> </u>

7. Taxation

The Society is a registered charity and as a consequence no liability to taxation arises.

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Year Ended 31 July 2006

8. Investments	Holding £	Valuation £	2006 £	2005 £
Government Stock: Conventional				
5% Treasury Stock 2008	1,909.11	1,917.51		1,948.25
9% Treasury Stock 2008	1,476.87	1,605.06		1,684.07
5% Treasury Stock 2012	2,883.97	2,930.98		3,005.96
		<hr/>	6,453.55	<hr/> 6,638.28
Government Stock: Index-linked				
2% IL Treasury Stock 2006	-	-		15,724.53
2½% IL Treasury Stock 2009	2,475.14	6,246.26		6,135.87
2½% IL Treasury Stock 2011	2,000.00	5,406.60		5,310.60
2½% IL Treasury Stock 2020	4,275.70	11,344.71		10,845.74
		<hr/>	22,997.57	<hr/> 38,016.74
Unit Trusts, OEICs and Investment Trusts				
M&G Charifund	4,457.00	65,548.65		58,399.18
M&G Dividend A	21,748.00	13,520.73		11,983.15
New Star Equity Income	11,390.93	16,627.34		15,665.95
Invesco Perpetual High Income (Inc)	4,947.91	15,224.72		12,269.83
Invesco Perpetual High Income (Acc)	6,678.28	26,659.03		20,826.22
Invesco Perpetual UK Growth (Acc)	6,468.93	21,063.48		17,973.28
British Assets Trust	6,469.00	8,409.70		7,892.18
		<hr/>	167,053.65	<hr/> 145,009.79
Standard Life Bonds				
4.8% July 2007	8,000.00	8,000.00		-
4.85% June 2007	10,000.00	10,000.00		-
4.8% June 2006	-	-		8,000.00
5% February 2006	-	-		10,000.00
		<hr/>	18,000.00	<hr/> 18,000.00
Total Investments			<hr/> <hr/> 214,504.77	<hr/> <hr/> 207,664.81
Valuation at 31 July 2005				
Proceeds on redemption				207,664.81 (16,041.76)
Realised gain on sale of investments				191,623.05
Unrealised gain on revaluation of investments				317.23 22,564.49
Valuation at 31 July 2006				<hr/> <hr/> 214,504.77

The Society's investments are in general long term investments and during the course of the year only one government stock was redeemed. Two Standard Life bonds were reinvested but no other investments were made.

For the Year Ended 31 July 2006

9. Debtors	2006	2005
	£	£
VAT recoverable	1,480.48	1,279.29
	<u> </u>	<u> </u>
10. Cash at bank and in hand	2006	2005
	£	£
Royal Bank of Scotland	1,369.54	1,144.12
Bank of Scotland	38,682.09	21,305.19
Standard Life Bank: direct access	17,545.75	16,322.06
Standard Life Bank: 60 day notice	10,025.01	9,615.50
	<u> </u>	<u> </u>
	67,622.39	48,386.87
	<u> </u>	<u> </u>
11. Creditors: Amounts falling due within one year	2006	2005
	£	£
Grants, awards and prizes	500.00	-
Accruals	2,800.00	8,422.89
	<u> </u>	<u> </u>
	3,300.00	8,422.89
	<u> </u>	<u> </u>

12. Funds

The Society has no restricted funds and no permanent endowment funds. The subdivision of the Society's assets reflects the charitable activities it undertakes. Investment income from all the funds is currently used to make grants and awards. The Society's assets are divided into designated funds as follows:-

	Balance 1 August 2005 £	Net Incoming/ (Outgoing) Resources £	Transfers £	Investment Gains £	Balance 31 July 2006 £
Unrestricted funds					
General fund	41,243.27	17,018.42	7,541.18	-	65,802.87
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Designated funds					
Grants and Awards Fund	94,832.40	(8,500.58)	479.70	11,440.86	98,252.38
Whittaker Prize Fund	8,000.00	-	-	-	8,000.00
St Andrews Fund	10,000.00	-	-	-	10,000.00
Strategic Reserve sFund	94,832.41	-	(8,020.88)	11,440.86	98,252.39
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	207,664.81	(8,500.58)	(7,541.18)	22,881.72	214,504.77
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the Year Ended 31 July 2006

12. Funds (cont'd)

General Fund - this comprises the assets required for a day-to-day operation of the Society.

Grants and Awards Fund - this fund acts as the Society's reserve to provide grants and awards.

Whittaker Prize Fund - this fund is reserved to cover the costs of the Whittaker Prize.

St Andrews Fund - this fund is reserved to support the postgraduates' meetings at the Burn.

Strategic Reserves Fund - this fund acts as the Society's reserve against contingencies (particularly in relation to the publishing of the *Proceedings*) and also as the fund from which exceptional expenditure can be taken.

13. Analysis of net assets between funds

	Investments £	Net Current Assets £	Total £
General funds	-	65,802.87	65,802.87
Designated funds	214,504.77	-	214,504.77
	<u>214,504.77</u>	<u>65,802.87</u>	<u>280,307.64</u>

Assets are assigned to funds as follows :

The General fund is assigned all the money in the current accounts. The Whittaker Prize fund and the St Andrews fund are assigned the two Standard Life bonds. The remaining investment assets are equally divided (to the nearest penny) between the Grants and Awards fund and the Strategic Reserves fund. The excess of income over expenditure and the redemption of the government stock led to an increase in the value of the general fund. However, good performance of the investments led to a general increase in fund values.

ANALYSIS OF EXPENDITURE

	£	2006 £	£	2005 £
Proceedings				
Typesetting, printing and binding	17,157.64		21,484.36	
Editorial work	10,000.00		6,000.00	
Administrative costs	562.88		532.19	
		27,720.52		28,016.55
Meetings and lectures				
Speakers' expenses	723.91		1,110.01	
Accommodation costs	158.50		291.65	
President's expenses	930.80		926.37	
		1,813.21		2,328.03
Seminars and conferences				
Postgraduate - meeting costs	1,473.50		2,361.70	
		1,473.50		2,361.70
Grants, awards and prizes				
Research Support Fund	8,103.20		7,708.91	
Education Fund	4,159.60		3,734.99	
Special Grants	750.00		1,000.00	
Whittaker Prize	500.00		-	
		13,512.80		12,443.90
Subscriptions and donations				
European Mathematical Society	640.38		660.68	
Scottish Mathematical Council	50.00		50.00	
Joint Mathematical Council	60.00		50.00	
Society of Friends of Oberwolfach	192.54		195.00	
		942.92		955.68
Management and administration				
Secretarial services	1,313.37		1,241.79	
Accountancy software and training	-		512.00	
Work on database	45.00		-	
Printing, photocopying, postage, etc	288.46		364.36	
Expenses of members on Society business	454.29		417.20	
Bank charges	87.10		83.43	
Sundry	-		33.15	
VAT recovery - b/fwd timing adjustment	-		(2,003.16)	
		2,188.22		648.77
Governance costs				
Independent examiner's fee	1,000.00		1,300.00	
Professional fees - VAT advice	1,800.00		1,485.00	
		2,800.00		2,785.00
		50,451.17		49,539.63

ANALYSIS OF PROCEEDINGS BY VOLUME

	Volume 48 2005	Volume 47 2004
	£	£
INCOME		
IncomereceivedbyPublisher		
Subscriptionincome	56,689.99	53,756.71
Singleandbackissues	276.05	(83.63)
Royaltiesandpermissions	39.85	31.39
	<hr/>	<hr/>
	57,005.89	53,704.47
IncomereceivedbySociety		
Subscriptionsfrommembers	1,112.00	790.00
	<hr/>	<hr/>
	58,117.89	54,494.47
	<hr/>	<hr/>
EXPENDITURE		
EditorialBoard		
Administrativecosts	516.13	491.86
Production		
Typesetting	10,626.80	10,027.85
Filesforonlineversion	914.40	921.00
Editorialwork	8,000.00	9,750.00
PaperandBoard	1,335.32	1,260.00
Printingandbinding	6,673.87	6,559.44
	<hr/>	<hr/>
	27,550.39	28,518.29
Publishing		
Subscriptionhandling	1,388.83	1,184.56
Distribution	2,492.56	2,580.55
Onlineversion	1,069.72	1,050.00
Marketing	2,046.53	1,032.24
Publisher's'shareofprofit'	7,300.06	6,989.56
	<hr/>	<hr/>
	14,297.70	12,836.91
	<hr/>	<hr/>
	42,364.22	41,847.06
	<hr/>	<hr/>
SURPLUS OF INCOME OVER EXPENDITURE	<hr/> <hr/>	<hr/> <hr/>
	15,753.67	12,647.41